

ASKS RECEIVER

CN 57533
New York Company Sues Morgan
Lithograph on Note.

Request that a receiver be appointed for the Morgan Lithograph Co., in business here 53 years, was contained today in a suit filed in federal court by the Model Fire-proof Tenement Co. of New York.

The New York company, represented by Attorney Harry J. Crawford, obtained a \$7,627 judgment against Morgan Lithograph May 3 on a promissory note. The writ of execution was returned with the notation that the debt could not be collected.

The bill of complaint alleges that Morgan's operating loss for the nine months prior to March 31 of this year was \$156,231 and that the company is "threatened with insolvency."

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Morgan Lithograph Co.

1881
The first of the year was a
very dry one, and the
crops were much injured
by the drought. The
winter was also very
dry, and the crops were
much injured by the
drought.

CPD 10-15-31
MORGAN LITHOGRAPH CO. in year ended June 30 had net loss of \$506,472 compared with net loss of \$345,004 previous year. President George W. Morgan's statement said the loss occurred in spite of operating economies and reflects a narrower margin of manufacturing profit as well as a shrinkage in sales value of slightly more than \$1,000,000. Company's credit position showed current assets in ratio to current liabilities of 2.48 to 1. Company has no bank debt and accounts payable have been substantially reduced.

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Morgan Lithograph Co.

ASKS LITHOGRAPH PROPERTY BE SOLD

Foreclosure Decree Sought Against Morgan Properties Co. by Bondholders.

CPD 4-14-34

A foreclosure decree against the Morgan Properties Co., real estate holding company for the Morgan Lithograph Corp., was submitted by bondholders and other interested parties yesterday for the approval of Common Pleas Judge George P. Baer.

The decree, arising out of a petition by liquidators of the Union Trust Co., trustee for the company's bond issue, calls for a total judgment against the company of \$1,458,953. Judge Baer said yesterday that the agreement would have his consideration today.

The Morgan Properties Co. was

formed in 1926, issuing \$1,500,000 in bonds. The issue is in default, the decree contends, and only \$220,000 of the bonds have been retired. Bondholders requested last December that the mortgaged properties be sold, the decree said.

The decree proposes that only the property and fixtures at 1601 Payne Avenue N. E. go to sheriff's sale at this time. George H. Martin, clerk in charge of court room No. 1, is named special master to handle the sale.

The Morgan Lithograph Co., predecessor to the Morgan Lithograph Corp., went into receivership in June of last year.

David K. Ford, attorney for the corporation, said last night that "it is expected that the bondholders protective committee will bid in the property." It is understood that the committee represents ownership of 96 per cent. of the outstanding bonds and that payment would be made in the bonds.

To the Creditors of The Morgan Lithograph Company and Parties in Interest:

You are hereby notified that, in accordance with the plan heretofore announced, the Receiver of The Morgan Lithograph Company has filed in the local United States District Court an application to sell certain inventory, raw materials, and work in process, to appoint a corporation recently organized under said plan as his agent to collect accounts receivable and to lease the Payne Avenue Plant of The Morgan Lithograph Company to such newly organized corporation. The hearing on such application will be had at Ten o'clock A. M. Wednesday, July 5, 1933, (or as soon thereafter as the court may hear the same) before the Honorable Paul Jones, Judge of the Federal Court for the Northern District of Ohio.

CPD 630/33
VERNON CHARNLEY,
Receiver of The Morgan Lithograph
Company.

D. K. FORD, Counsel for Receiver.
June 30.

ASKS RECEIVERSHIP FOR LITHOGRAPH FIRM

Chase 575733
New York Concern Petitions Against
Morgan Company Here

The Morgan Lithograph Co., one of Cleveland's pioneer industries founded in 1880, faced federal receivership today as a result of legal action taken by the Model Fireproof Tenement Co. of New York.

A bill of complaint, filed in Federal Court on the basis of a \$7627 judgment, asked that a federal receiver be appointed to take over the business. The complaint alleged the Cleveland firm lost \$156,231 since July 1, 1932, that the firm's actual assets were \$249,000 and its liabilities \$287,000.

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Morgan Lithograph Co.

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Monday, Nov. 3, 1930.

Morgan Lithograph.

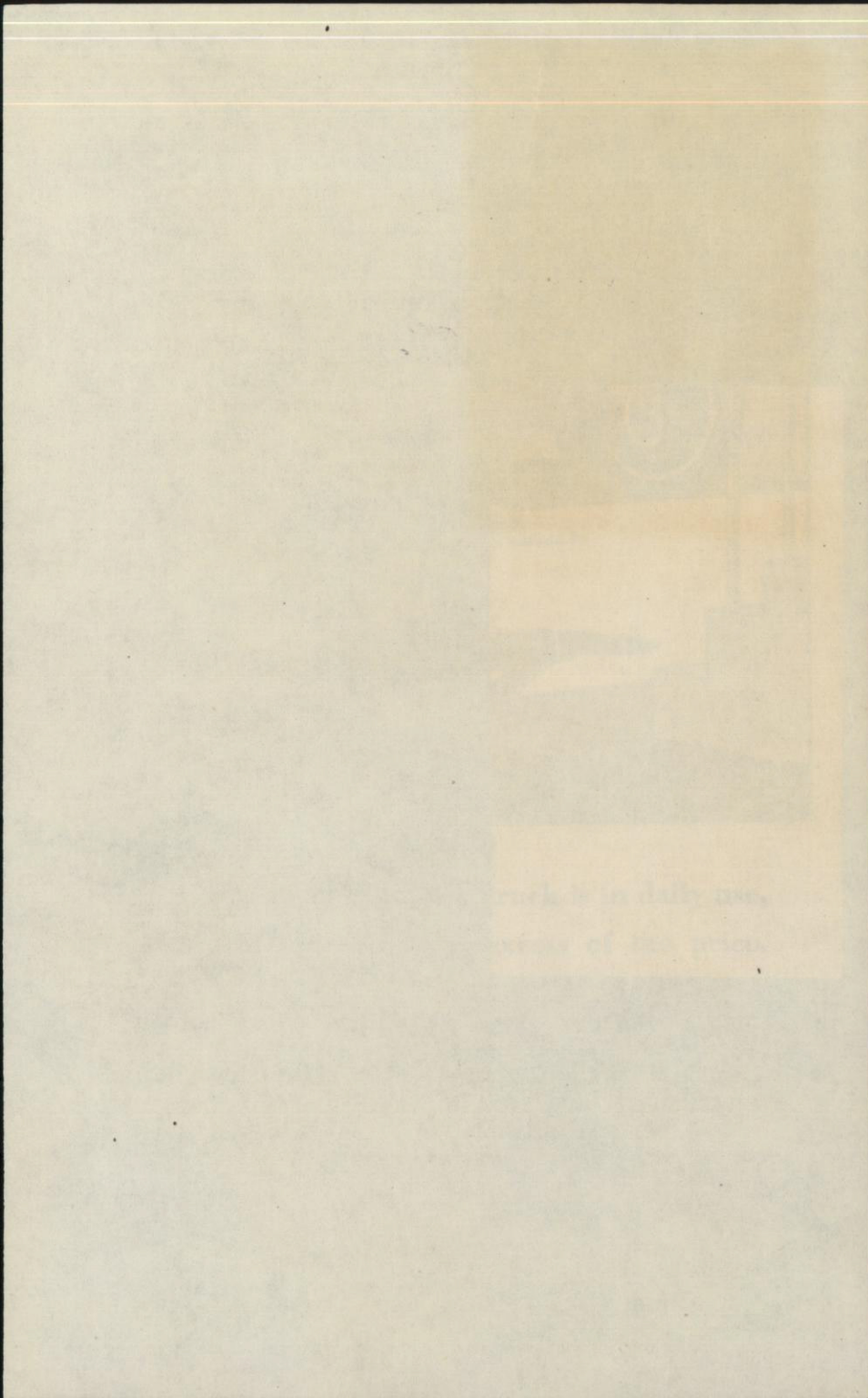
Please give me what information you will regarding Morgan Lithograph stock and oblige.

CPD 11-3-30 R. H. B.

Morgan Lithograph Co., manufacturer of lithographed posters for indoor and outdoor use, has operated at a loss for two years partly because of heavy inventory write-offs necessitated by obsolescence of silent motion picture inventory.

In the fiscal year ended June 30, 1930, net loss was \$345,005 after inventory write-off of \$379,916. In the preceding year net loss was \$434,743. The management recently stated that business had risen since the low point was reached in July and August of this year. The new photo-gelatin department is in operation and as there is a wide market for the advertising material manufactured by this process, the company hopes to add substantially to its sales during the coming year.

Dividends were \$5 per share until January, 1929, when they were discontinued. On June 30, 1930, current assets were \$967,272 and current liabilities were \$268,403. The stock is speculative.



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Morgan Lithograph Business Improves

George W. Morgan, president of Morgan Lithograph Co., advises stockholders that the photo-gelatin department is now in operation and he looks for the company to derive a large volume of business from that source. He also says that further operating economies were effected the past quarter through termination of employment contracts, closing of one warehouse and the renting of certain properties not being used by the company. Company's business has risen since low point was reached in July and August.

Morgan Lithograph's balance sheet as of June 30 shows an increase in ratio of quick assets to current liabilities from year previous of 2.94 to 1 to 3.60 to 1 while cash was \$163,999 higher than year before. Payables and bonds decreased \$209,296. Company June 30 showed \$250,205 of cash and government bonds and about \$250,000 of receivables against \$268,402 of payables including \$73,001 of taxes and interest.

Company for past fiscal year showed operating profit of \$194,980 but after inventory losses and other adjustments there was a net loss of \$345,004. The annual meeting Monday was adjourned indefinitely.

CONSOLIDATED OPERATING STATEMENT
Years Ended June 30

	1929	1928
Profit from Operations***	\$292,413	\$329,426
Less Interest	96,792	.....
Less Dividends	.....	500,000
Less Other Deductions	47,388	.....
Profit Before Extraordinary Charges	148,233	.....
Inventory Losses****	416,798	.....
Losses on Bad Debts	82,819	.....
Legal Expenses	43,464	.....
Sundry Charges	39,624	.....
Net Loss	434,472	.....

*Less allowance for doubtful accounts.

**Less allowance of \$100,000 for possible shrinkage.

***After deducting expenses, inventory adjustments and allowance for depreciation, (this amounting for year that ended June 30, 1929, to \$119,091).

****Including the \$100,000 allowance made for possible shrinkage of inventory values.

SURPLUS—DEFICIT ACCOUNTS
(Adjustment as of June 30, 1929)

Balance June 30, 1928*	\$1,984,255
Deduct Net Loss for Year	434,472
Deduct Dividends of Oct. 1, 1928 and Jan. 1, 1929	250,000
Deduct Book Value Adjustments	101,370
Balance	1,198,412
Transferred to Stated Capital Account	1,017,414
Balance	180,998

From Stated Capital Accounts**	517,414
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Balance as per Balance Sheet	\$698,412
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*Including capital surplus, unearned surplus and profit and loss.

**By vote of stockholders on October 14, 1929.

OFFICERS—P. J. Morgan, president; E. S. Gaylor, Jr., vice-president; George Morgan, treasurer; Vernon Charnley, secretary.

DIRECTORS—P. J. Morgan, G. W. Morgan, V. Charnley, John Sherwin, John Sherwin, Jr., R. Hubbard, E. S. Gaylor, Jr.

TRANSFER AGENTS—Continental National Bank & Trust Company, Chicago; Union Trust Company, Cleveland, Ohio.

OFFICE—17th Street and Payne Avenue, Cleveland, Ohio.

The Morgan Lithograph Company

CAPITALIZATION—Common stock, no par value, 100,000 shares authorized and outstanding. On October 14, 1929, company reduced stated capital as presented in balance sheet from \$1,517,413 to \$1,000,000, transferring remainder to profit and loss account. *U.S. Investor 12-28-29*

FUNDED DEBT—\$1,420,000 of 6 per cent notes.

HISTORY AND BUSINESS—Business established in 1866. It is said to be the largest lithograph poster producer in the world. Most of the company's business is under long-term contract, half of it with concerns in the motion picture business and the other half with advertising agencies, for designing and lithographing posters. Has plants at Cleveland, Ohio; Elmhurst, Long Island and New York City, the plant at Cleveland being the largest having 113,500 square feet of floor space and capacity of about 700,000 impressions a day. Employees number about 400 in this plant. Company has branch offices in New York, Boston, Detroit, Chicago, Kansas City, Atlanta, Philadelphia, Toledo, Cincinnati, St. Louis, Pittsburgh, and Los Angeles.

Year by year the company has been acquiring properties to increase its capacity. Its subsidiaries now include Ritchey Lithographing Corp., Butts Lithographing, Inc., J. H. Tooker Printing Company and the Otis Lithograph Company. At the time when the Otis Lithograph Company was acquired in 1926, the company transferred its land, buildings, machinery and equipment to the Morgan Properties Company and received therefor \$1,500,000 1st mortgage gold 6s and all of the common stock of the Morgan Properties Company, the Morgan Lithograph Company, then leasing the permanent assets transferred at an annual rental sufficient to meet annual interest and serial payments on principal on the bonds. From the proceeds of the bonds, the purchase of Otis Lithograph was financed. The coming of talking movies has cut down on poster sales. The company reports a substantial loss, \$434,734 for the year ended June 30, 1929, making it necessary to close the plant at Elmhurst, L. I. and the Otis plant at Cleveland, using the latter for a warehouse.

DIVIDENDS—Irregular amounts have been paid on the common stock to and including quarterly dividend of \$1.25 on January 2, 1929, since which time dividends have been passed. \$5 per share was paid in 1928.

COMPARATIVE BALANCE SHEET (Including Morgan Properties Co.)

As of June 30
ASSETS

	1929	1928
Cash	\$16,206	\$20,530
Liberty Bonds	70,000	170,000
Notes & Accounts Receivable*	343,788	495,270
Inventory**	810,662	1,231,617
Life Insurance (Net)	16,374	.....
Unused Property	194,759	.....
Miscellaneous Items	131,237	.....
Cash with Trustee	14,347	.....
Leasehold	7,286	.....
Real Estate & Equipment	1,667,708	511,730
Art Work & Prepaid Expenses	281,974	66,794
Goodwill	1	1
Other Assets .....	.....	296,016
Deferred Charges .....	.....	171,003
Total Assets	\$3,554,342	\$2,962,969

LIABILITIES

Notes Payable	\$85,504	\$189,579
Accounts Payable	267,311	.....
Wages Payable .....	.....	11,846
Contract Payable	6,882	4,815
Accrued Taxes & Interest	67,983	47,349
Tax Reserve .....	.....	70,000
Dividends Payable .....	.....	125,000
Capital (Stated Value)	1,000,000	500,000
First Mortgage Bonds	1,420,000	.....
Reserve for Contingencies	8,248	10,000
Due to Subsidiary .....	.....	20,125
Capital Surplus	698,412	1,402,696
Unearned Surplus		414,500
Profit & Loss		167,059
Total Liabilities	\$3,554,342	\$2,962,969

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